
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 7, 2018

CISCO SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of incorporation)

0-18225
(Commission File Number)

77-0059951
(IRS Employer Identification No.)

170 West Tasman Drive, San Jose, California
(Address of principal executive offices)

95134-1706
(Zip Code)

(408) 526-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On September 7, 2018, Rebecca Jacoby, former Senior Vice President and Chief of Operations of Cisco Systems, Inc. (“Cisco”), entered into a Separation Agreement (the “Separation Agreement”) in connection with her termination of employment as an executive advisor effective September 21, 2018. The Separation Agreement provides that Ms. Jacoby will be entitled to accelerated vesting of the time-based restricted stock unit awards which are scheduled to vest between November 10, 2018 and February 10, 2020. Ms. Jacoby will also be entitled to a cash payment in the amount of \$2,116,968.18, which is equal to eighteen months of her annual base salary, 150% of her target bonus award and 17 months of COBRA premiums.

In consideration for such benefits, Ms. Jacoby executed a release of claims relating to her employment and agreed to comply with certain post-termination restrictions, including among other things, not providing services to or engaging directly or indirectly with companies that are considered competitors of Cisco for one year, not soliciting Cisco’s employees for one year, not making disparaging statement about Cisco and continuing to comply with her Proprietary Information and Inventions Agreement.

The foregoing description of the Separation Agreement is qualified in its entirety by reference to the Separation Agreement, a copy of which is filed as Exhibit 10.1 to this report.

Item 9.01. Financial Statement and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Document</u>
10.1	<u>Separation Agreement by and between Cisco Systems, Inc. and Rebecca Jacoby</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CISCO SYSTEMS, INC.

Dated: September 12, 2018

By: /s/ Evan Sloves

Name: Evan Sloves

Title: Secretary



SEPARATION AGREEMENT AND GENERAL RELEASE

August 21, 2018

Rebecca Jacoby
c/o Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134

Dear Rebecca:

This Separation Agreement and General Release (“**Agreement**”) sets forth the terms of your departure with Cisco Systems, Inc. (“**Cisco**” or “**Company**”) effective September 21, 2018 (the “**Termination Date**”).

Your execution of this Agreement applies to all potential claims you may have against Cisco and the other Releasees (as defined below), including those in connection with the termination of your employment. Please read the following carefully as it sets forth the terms of our agreement. If you agree to its terms after considering them as provided herein, you are asked to sign it and it will be binding upon you.

Although your health coverage will end on the last day of September, you may be eligible to continue that coverage under the Consolidated Omnibus Budget Reconciliation Act (“**COBRA**”) at your own expense, and Cisco will provide you with a lump sum payment with respect to seventeen (17) months of coverage as described below. Subject to the terms of this Agreement with respect to equity awards and certain other benefits, all of your other benefits, including, but not limited to, vesting of restricted stock units (“**RSUs**”) and participation in the employee stock purchase plan, will end on the Termination Date. Whether or not you sign this Agreement, any unvested equity-based awards (other than awards that will continue to vest under the terms of this Agreement), including without limitation any Cisco RSUs you may hold, will be cancelled on the Termination Date. Also, you are ineligible to participate in the Company’s Executive Incentive Plan (the “**EIP**”) for fiscal 2019.

Please read the following paragraphs carefully as they set forth the terms of this Agreement and contain a release of claims.

I. Termination Date and Restrictive Covenants : Until the one (1) year anniversary of your Termination Date, the commencement of employment with any of the companies set forth below will be deemed a breach of this Agreement and, in the event of such a breach, Cisco shall have the right to terminate the vesting, settlement, or payment of any unvested, unsettled, or unpaid benefit provided to you in this Agreement: Amazon Web Services LLC; Arista Networks, Inc.; ARRIS Group, Inc.; Check Point Software Technologies Ltd.; Dell Technologies Inc.; Extreme Networks, Inc.; F5 Networks, Inc.; FireEye, Inc.; Fortinet, Inc.; Hewlett-Packard Enterprise Company; Huawei Technologies Co., Ltd.; Juniper Networks, Inc.; Lenovo Group Limited; Microsoft Corporation; New Relic, Inc.; Nokia Corporation; Nutanix, Inc.; Palo Alto Networks, Inc.; Symantec Corporation; Ubiquiti Networks and VMware, Inc (the “**Competitor Companies**”). For purposes of this Section I, “employment” shall include board of directors or advisory board memberships, and consulting arrangements.

II. What You Will Receive. In exchange for entering into this Agreement and provided you do not exercise your right to revoke this Agreement, violate the covenants set forth herein or terminate your employment prior to the Termination Date without the consent of the Company, you will be eligible for the following benefits:

- **Separation Pay** : You will be paid a lump sum payment in an amount equal to 18 months of your annual base salary as of June 30, 2018 (\$975,000) plus 18 months of your fiscal 2018 target bonus, prior to any salary reductions, under the EIP based on a CPF and IPF of 1.0 (\$1,121,250) (the “**Separation Payment**”), which shall be paid no later than the first payroll date following the Effective Date (as defined in section IV), less applicable payroll deductions, applicable payroll taxes and authorized after-tax deductions. If you commence new employment prior to the receipt of any portion of this Separation Payment, you agree that you have an affirmative obligation to notify Cisco of such new employment. Your failure to notify Cisco of such subsequent employment does not impact Cisco’s right to eliminate, offset or reduce your future payments hereunder or seek a refund from you for such amounts improperly paid to you.
- **PTO Payout**: You shall be entitled to receive payment for any unused PTO as of your Termination Date. This payout will be calculated using your annual base salary rate as of June 30, 2018.
- **An Amount to Cover Your COBRA Payment**: You shall be entitled to receive a lump sum payment equal to seventeen (17) months of COBRA premiums (\$20,718.18) for you and your eligible dependents at the same level and for the same eligible dependents covered as of your Termination Date, which shall be paid no later than the first payroll date following the Effective Date, less applicable payroll deductions, applicable payroll taxes and authorized after-tax deductions. Please note that if you choose and are eligible to continue your health coverage through COBRA, you are solely responsible for timely election of COBRA continuing coverage and for making all COBRA premium payments.
- **Equity Awards** :

Restricted Stock Units

The vesting of the following unvested RSUs, which would have vested on the dates indicated below, will accelerate and immediately vest on your Termination Date (the “**Accelerated RSUs**”), subject to your continued compliance with this Agreement. Any Accelerated RSUs that would normally have vested in calendar year 2018 will be settled in September 2018. Any Accelerated RSUs that would normally have vested in calendar years 2019 and 2020 will be settled in January 2019.

<u>RSU Grant Number</u>	<u>Original Vest Date</u>	<u>Number of Shares</u>
1361271	November 10, 2018	19,275
1335757	November 20, 2018	20,175
1361271	February 10, 2019	4,818
1361271	May 10, 2019	4,819
1361271	August 10, 2019	4,819
1305908	September 11, 2019	12,501
1306764	September 11, 2019	26,800
1361271	November 10, 2019	4,819
1335757	November 20, 2019	20,175
1361271	February 10, 2020	4,818

Performance-based Restricted Stock Units

All outstanding PRSUs for which you are already eligible for Retirement vesting shall otherwise continue to be subject to the terms and conditions of the applicable PRSU Agreement including the restrictive covenants set forth therein, except that the list of Competitor Companies set forth above shall be considered the organizations and businesses which compete with or are in conflict with the interests of Cisco for purposes of interpreting Section 3(b)(iii) of the applicable PRSU Agreement. For the avoidance of doubt the Retirement eligible grants consist of the PRSUs granted to you on May 28, 2015, September 21, 2016, and September 20, 2017, respectively.

III. The Release and What You Are Agreeing To Release : You agree to the terms of the release as set forth below, which shall be executed on your Termination Date.

Except as set forth in Section V, which identifies claims expressly excluded from this release, in consideration for the cash severance, equity acceleration and other consideration hereunder, you release Cisco, any affiliated companies of Cisco, any Cisco sponsored or established benefit plans, the administrators, fiduciaries, and trustees of any Cisco sponsored or established benefit plans, and the current and former officers, directors, agents, employees and assigns of Cisco, of any affiliated companies of Cisco and of any Cisco sponsored or established benefit plans (the “**Releasees**”), to the maximum extent permitted by law, from any and all known and unknown claims up through the date that you execute this Agreement. The claims which you are releasing include, but are not limited to, those related to your employment with Cisco and the termination thereof. All such claims (including related claims for attorneys’ fees and costs) are waived and released without regard to whether those claims are based on any alleged breach of a duty arising in statute, contract, or tort. This expressly includes waiver and release of all claims for monetary damages and any other form of personal relief and any claims arising under any and all laws, rules, regulations, or ordinances, including but not limited to the Age Discrimination in Employment Act; the Family and Medical Leave Act; the Worker Adjustment and Retraining Notification Act; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act; the Employee Retirement Income Security Act; the Equal Pay Act of 1963; the California Fair Employment and Housing Act; the California Business and Professions Code; and any similar laws of any state or governmental entity.

California law will govern this Agreement, except to the extent preempted by federal law. Accordingly, you further waive any rights under Section 1542 of the Civil Code of the State of California or any similar state statute. Section 1542 states: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which, if known to him or her, must have materially affected his or her settlement with the debtor.”

IV. Timeline For Considering And Signing This Agreement: You understand and acknowledge that you have been provided a period of thirty (30) calendar days within which to decide whether you will execute this Agreement, no one hurried you into executing this Agreement during that period, and no one coerced you into executing this Agreement. The offer of this Agreement shall expire on September 21, 2018 (the “**Expiration Date**”).

Your signed, accurately dated, and unmodified Agreement must be mailed to: **Francine Katsoudas, Executive Vice President and Chief People Officer, Cisco Systems, Inc., 170 West Tasman Drive, San Jose, CA 95134** on or before the Expiration Date. You may not date the Agreement for a future (or past) date.

You understand that unless more time is required by applicable law, you have a limited period of seven (7) calendar days after your signing to revoke your acceptance of this Agreement. You must mail written notification of revocation to: **Francine Katsoudas, Executive Vice President and Chief People Officer, Cisco Systems, Inc., 170 West Tasman Drive, San Jose, CA 95134**. Unless you personally deliver the signed revocation on or before the end of the eighth (8th) calendar day after the signing, it must be sent by a traceable overnight delivery service or traceable overnight express mail and postmarked on or before the end of the eighth (8th) calendar day after the signing. This deadline will be extended to the next business day should it fall on a Saturday, Sunday or holiday recognized by the U.S. Postal Service and, if a revocation period longer than seven (7) calendar days is required under applicable law, to the first business day after such revocation period expires.

This Agreement will become effective and enforceable on the date that the revocation period has expired, provided that you have delivered the signed Agreement to Cisco, Cisco has accepted it and you have not revoked it (the “**Effective Date**”). Your benefits will commence or be made available to you as set forth above in this Agreement, provided you comply with all of your obligations and the terms of this Agreement.

If you exercise your right of revocation with respect to the signing, your employment will still cease on the Termination Date. If you exercise your right of revocation or resign your employment prior to your Termination Date without the consent of the Company, you will not be entitled to the applicable benefits pursuant to this Agreement.

Cisco reserves the right after receiving your signed Agreement to reject it and decline to accept it in the event it is untimely or if it is modified by you. In the event the Agreement is rejected or not accepted by Cisco, it will be void and unenforceable.

In limited circumstances such as, for example, a medical emergency, Cisco reserves the right in its sole discretion to accept an Agreement signed after the Expiration Date. However, you should not expect that Cisco will accept an Agreement signed after the Expiration Date and this paragraph cannot be used or cited as imposing any obligation on Cisco to accept an Agreement signed after the Expiration Date. If you sign the Agreement any time after the Expiration Date, or deliver it to Cisco more than one business day following the Expiration Date (as set forth above), and Cisco accepts the Agreement, you will be solely responsible for any and all tax liabilities, including penalties, excise taxes, and/or interest, if any, under Section 409A of the Internal Revenue Code ("Section 409A").

V. Protecting Your Rights: In understanding the terms of this Agreement and your rights, you are advised to consult with an attorney of your choice at your expense prior to signing it. Also, the only claims that you are not waiving and releasing under this Agreement are claims you may have for (1) unemployment, state disability, worker's compensation, and/or paid family leave insurance benefits under applicable state law; (2) continuation of existing participation in Cisco-sponsored group health benefit plans, at your own expense, under COBRA and/or under an applicable state law counterpart(s); (3) any benefits entitlements that are vested as of your termination date under the terms of a Cisco-sponsored benefit plan; (4) violation of any federal, state or local statutory and/or public policy right or entitlement that, by applicable law, is not waivable; (5) any wrongful act or omission occurring after the date you execute this Agreement, including any breach by Cisco of this Agreement; (6) any rights you have to indemnification under the Restated Articles of Incorporation of Cisco Systems, Inc. and the Amended and Restated Bylaws of Cisco Systems, Inc., as currently in effect, and the Indemnification Agreement between Cisco and you dated July 26, 2015; and (7) any rights to insurance coverage, including expense reimbursement, under any D&O insurance policy maintained by Cisco. In addition, nothing in this Agreement prevents or prohibits you from filing a claim with or voluntarily participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission (EEOC) or any other government agency that is responsible for enforcing a law on behalf of the government and deems such claims not waivable. However, please understand that, because you are waiving and releasing all claims "for monetary damages and any other form of personal relief" (per Section II above), you may only seek and receive non-monetary forms of relief from the EEOC and similar government agencies. Nothing in this Agreement prohibits you from receiving monetary rewards under the whistleblower provisions of federal law or regulation. If you sign this Agreement, you are agreeing that the benefits you will receive under Section II fully and completely satisfy all claims you might possibly have against Cisco and the other released parties.

You are hereby provided notice that under the 2016 Defend Trade Secrets Act (DTSA): (1) no individual will be held criminally or civilly liable under Federal or State trade secret law for the disclosure of a trade secret (as defined in the Economic Espionage Act) that: (A) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or, (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and, (2) an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order.

VI. Deferred Compensation Tax Consequences : In the event that any changes to this Agreement or any additional terms are required to ensure that a payment is either exempt from or complies with Section 409A so that the penalty taxes under Section 409A(a)(1)(B) are not applied, you hereby agree that Cisco may make such change or incorporate such terms (by reference or otherwise) without your consent.

VII. Protecting Cisco's Rights : In executing this Agreement, you acknowledge that you have not relied upon any statement made by Cisco, or any of its representatives or employees, with regard to this Agreement unless the representation is specifically included in this written Agreement. Furthermore, this Agreement contains our entire understanding regarding eligibility for and the payment of separation benefits and supersedes any and all prior representations and agreements regarding the subject matter of this Agreement. However, this Agreement does not modify, amend or supersede written Cisco agreements that are consistent with enforceable provisions of this

Agreement such as Cisco's "Proprietary Information and Inventions Agreement" and Cisco's Arbitration Agreement and Policy. In addition, this Agreement in no way alters the at-will nature of your employment; both you and Cisco are free to terminate your employment at any time for any reason, with or without cause or advance notice. Except for any changes that Cisco may make with respect to Section 409A as set forth herein, once effective and enforceable, this Agreement can only be changed by another written agreement signed by you and Cisco's Senior Vice President and Chief People Officer (or his/her designee).

On or before your Termination Date, you agree to satisfy any and all outstanding financial obligations to the Company and, return to the Company all Company documents (and all copies thereof) and other Company property that you have had in your possession at any time, including but not limited to, Company files, notes, drawings, records, business plans and forecasts, financial information, specifications, computer-recorded information, tangible property (including, but not limited to, computers, laptops, pagers, etc.), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof). Separation benefits will not be provided to you under this Agreement until you comply with this requirement.

You agree that you will not disclose to others the fact or terms of this Agreement, except that you may disclose such information to your spouse or to your attorney or accountant in order for such individuals to render services to you.

VIII. Mutual Non-Disparagement. You on the one hand, and the Company's officers and directors with knowledge of this Agreement on the other, agree not to make any negative statement about or disparage the other party with any written or oral statement. You specifically agree not to make any disparaging comments regarding the Releasees or their products, services, agents, representatives, directors, officers, shareholders, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under or in concert with any of them, with any written or oral statement. Notwithstanding the foregoing, nothing in the clause shall be deemed to limit in any way statements by you (i) to your advisors, including legal counsel, that are under a contractual or legal obligation to preserve the confidentiality of such statements or (ii) that you in good faith believe are truthful to any regulatory or enforcement agency which requests information from you regarding Cisco or in connection with any other legal or regulatory proceeding.

IX. Non-Solicitation; Confidential Information. For the one (1) year period following your Termination Date, you agree and acknowledge that your right to receive the severance consideration described in Section II above shall be conditioned upon you not either directly or indirectly soliciting, attempting to hire, recruiting, encouraging, taking away, hiring any employee of Cisco or inducing or otherwise causing an employee to leave his or her employment with the Company (regardless whether to commence employment with you or with any other entity or person; provided however that you shall not be prohibited from soliciting for employment or employing any such person after three (3) months have lapsed since such person ceased to be employed by Cisco. If you engage in any such activity, then all severance consideration to which you otherwise would be entitled under Section II, above, as applicable, thereupon shall cease.

You hereby acknowledge that you are and continue to be bound by the Proprietary Information and Inventions Agreement you signed with the Company dated as of March 6, 1995 (the "**Confidentiality Agreement**"), and that the Confidentiality Agreement inures to the benefit of the Company to the same extent as set forth in the Agreement, and that as a result of your employment with the Company you have had access to the Company confidential information, that you will hold all confidential information in strictest confidence and that you will not make use of such confidential information on behalf of anyone. Insofar as Section F of the Confidentiality Agreement prohibits you from providing any input to any third party regarding any employee of the company, that language alone is superseded by Section VIII above. You further agree that you will deliver to the Company no later than the Termination Date all documents and data of any nature containing or pertaining to such confidential information and that you have not taken with you any such documents or data or any reproduction thereof. If you violate any of the provisions of the Confidentiality Agreement, then all severance consideration to which you otherwise would be entitled under Section II, above, as applicable, thereupon shall cease.

X. Full Disclosure: You confirm that you are not aware of any claim, grounds, facts or circumstances that are expected to give rise to any material investigation, material claim or audit by any entity, including but not limited to, any state or federal or non-U.S. government agency, against Cisco in relation to any matter whatsoever arising during your employment at Cisco.

XI. Enforceability Of This Agreement : Any controversy or any claim arising out of or relating to the interpretation, enforceability or breach of this Agreement shall be settled by arbitration in accordance with Cisco's Arbitration Agreement and Policy, a copy of which you acknowledge having previously received and agreed to. If for any reason this Arbitration Agreement and Policy is not enforceable, Cisco and you agree to arbitration under the employment arbitration rules of the American Arbitration Association (which can be found at <http://www.adr.org>) or any successor hereto. The parties further agree that, except as set forth in the following paragraph, the arbitrator shall not be empowered to add to, subtract from, or modify, alter or amend the terms of this Agreement. Any applicable arbitration rules, agreement or policy shall be interpreted in a manner so as to ensure their enforceability under applicable state or federal law.

Should any provision of this Agreement be determined by an arbitrator or a court of competent jurisdiction to be wholly or partially invalid or unenforceable, the legality, validity and enforceability of the remaining parts, terms, or provisions are intended to remain in full force and effect.

We trust that the separation payment and other consideration offered herein will assist you in your employment transition. We wish you the best in your future endeavors.

CISCO SYSTEMS, INC.

I UNDERSTAND AND VOLUNTARILY ACCEPT AND AGREE TO THE ABOVE TERMS INCLUDING BUT NOT LIMITED TO THE
RELEASE OF CLAIMS AS OF THE DATE OF MY SIGNATURE (ORIGINAL)

/s/ Rebecca Jacoby
Signature of Employee

Rebecca Jacoby
Printed Name of Employee

Cisco Employee #

9-7-18
Date Signed

San Jose, CA USA
Location Signed at (e.g., San Jose, CA, USA)

FOR CISCO USE ONLY
CISCO SYSTEMS, INC.

Received by:

/s/ Amy Manning
Name/Date

Accepted by:

Amy Manning 9-7-18
Name/Date